Message Text

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ACTION DLOS-07

INFO OCT-01 ARA-16 ISO-00 AF-10 EA-11 EUR-25 NEA-14 RSC-01

OIC-04 CG-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 PRS-01 SP-03 SS-20 USIA-15

AID-20 CEQ-02 COA-02 COME-00 EB-11 EPA-04 IO-14

NSF-04 SCI-06 FEA-02 ACDA-19 AEC-11 AGR-20 DOTE-00

FMC-04 INT-08 JUSE-00 OMB-01 CIEP-02 CEA-02 DRC-01

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R 130430Z JUL 74 FM AMEMBASSY CARACAS TO SECSTATE WASHDC 4674 INFO USUN NEW YORK 653

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FROM US DEL LOS

EO 11652: NA TAGS: PLOS

SUBJECT: LOS: DAILY REPORT, COMMITTEE 1, JULY 10-11

1. AFTER WEEK-LONG CONSULTATIONS ON ORGANIZATION OF WORK, COMMITTEE I (C-1) CONVENED ITS FIRST SESSION JULY 10. CHAIRMAN ENGO OPENED BY ANNOUNCING APPARENT CONSENSUS ON WORK PROGRAM WHICH INCLUDES MAXIMUM OF ONE WEEK GENERAL DEBATE TO BE DEVOTED TO VERY BRIEF STATEMENTS ON "ISSUES OF FUNDAMENTAL IMPORTANCE, THE RESOLUTION OF WHICH WOULD FACILITATE CONSENSUS ON OUTSTANDING AREAS OF DEVERGENCY", TWO-WEEK PERIOD OF INFORMAL MEETINGS OF THE COMMITTEE AS A WHOLE WHICH

WOULD BE HEADED BY SRI LANKA REP CHRIS PINTO AND CONCENTRATE ON CLEARING

UP TEXTS ON REGIME AND MACHINERY. FOLLOWING THREE WEEK SCHEDULE, C-1 UNCLASSIFIED

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WOULD THEN DECIDE FURTHER WORK PROGRAM. ENGO ACKNOWLEDGED THAT

SUBJECTS

OF ECONOMIC IMPLICATIONS AND RULES AND REGULATIONS GENERATED STRONG FEELING ON PART OF SOME DELEGATES BUT ASKED DELEGATES TO REFRAIN FROM DETAILED DISCUSSION OF THESE ISSUES IN GENERAL DEBATE. IN ADDITION, ENGO STRESSED NEED FOR C-1 TO ENTER NEGOTIATION STAGE AND NOT MERELY CONTINUE WORK OF SEABED COMMITTEE.

2. ENGO'S WORK PROGRAM WAS UNANIMOUSLY SUPPORTED, ALTHOUGH LATINS (CHILE AND PERU) MADE ISSUE OF RESERVING RIGHT TO RAISE ISSUE OF ECONOMIC IMPLICATIONS ON THE RECORD AT SOME LATER STAGE, AND REQUESTED

DISTRIBUTION OF CERTAIN UNCTAD DOCUMENTS ON ECONOMIC IMPLICATIONS AND C-1'S APPROVAL TO INVITE UNCTAD OFFICIAL TO ADDRESS COMMITTEE. LATINS ALSO EXPLAINED THEIR INTERPRETATION OF MANDATE OF INFORMAL SESSIONS WAS TO BEGIN THIRD READING OF REGIME AND MACHINERY ARTICLES.

- 3. C-1 MET AGAIN JULY 11 AND HEARD GENERAL STATEMENTS BY GERMAN DEMOCRATIC REPUBLIC, SRI LANKA, AUSTRALIA, PERU, CANADA, AND CHILE. ON REGIME AND MACHINERY, GDR REP EMPHASIZED THAT AREA SHOULD BE RESERVED EXCLUSIVELY FOR PEACEFUL PURPOSES BUT CAREFULLY AVOIDED ANY MENTION OF MILITARY USES OF SEABED, THAT REGIME SHOULD TAKE INTO ACCOUNT NEEDS OF LAND-LOCKED STATES AND THOSE WHICH DO NOT YET HAVE TECHNOLOGY FOR EXPLOITATION, AND THAT NATIONAL LIBERATION MOVEMENTS RECOGNIZED BY REGIONAL ORGANIZATION SHOULD BE ALLOWED TO PARTICIPATE IN WORK OF AUTHORITY. GDR PRESUMABLY REFLECTING NEW USSR POSITION ALSO SUPPORTED ROLE FOR NATURAL OR JURIDICIAL PERSONS IN EXPLOITATION UNDER A SPONSORING STATE SYSTEM LIKE U.S. PROPOSAL. ON RULES AND REGULATIONS, HE PROPOSED THAT "LICENSE CONTRACTS" CONTIAN LIMITATIONS ON SIZE OF AREA, DURATION OF RIGHTS AND AMOUNTS OF MINERAL EXTRACTED.
- 4. SRI LANKA (PINTO) GAVE DETAILED AND MODERATE STATEMENT ON ISSUES IN REGIME AND MACHINERY. HE SUGGESTED QUESTION OF REGULATION OF SCIENTIFIC RESEARCH COULD BE RESOLVED IF THOSE FAVORING FREEDOM OF RESEARCH RECOGNIZED THAT THOSE WHO FAVORED REGULATION ONLY WANTED MINIMUM CONTROLS TO PROTECT ENVIRONMENT AND ENSURE DISSEMINATION OF DATA. HE ALSO PROPOSED THAT DEFINITION OF SCIENTIFIC RESEARCH WHICH CLEARLY SEPARATED IT FROM COMMERCIALLY VALUBABLE ACTIVITIES MIGHT DECREASE LDC INTERESTS IN REGULATION. DESCRIBING THREE TYPES OF PROPOSALS FOR EXPLITATION SYSTEM, HE SUGGESTED THAT UNCLASSIFIED

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CRITICAL DIFERENCE BETWEEN THEM WAS EXTENT TO WHICH ORGANIZATION WILL CONTROL ACTVITIES OF THOSE WHO EXPLOIT. HE MENTIONED NEED TO PROVIDE APPROPRIATE ROLE IN COUNCIL FOR THOSE NATIONS WITH TECHNOLOGY AND CAPITAL AND POSSIBILITY THAT PROVISION FOR COMPULSORY SETTLEMENT OF DISPUTES AND PERMANENT TRIBUNAL WOULD GREATLY FACILITATE NEGOTIATIONS

ON RULES AND REGULATIONS, PINTO REMINDED DELS THAT THEY MUST DEVISE SYSTEM OF EXPLOITATION WHICH ATTRACTS THOSE WHO HAVE TECHNOLGOY AND

CAPITAL, BUT THAT SYSTEM SHOULD ALSO CONTAIN CONTROLS. HE STRESSED THAT

WHATEVER FORM TAKEN BY WRITTEN CONTRACT BETWEEN AUTHORITY AND EXPLOITER

ALL DELS SEEMED AGREED THAT IT SHOULD INCLUDE PROVISIONS FOR REVENUE-SHARING, SAFE AND RATIONAL EXPLOITATION, PROTECTION OF MARINE ENVIRON MENT

AND PERHAPS MINIMIZATION OF PRICE FLUCTUATIONS. HE URGED THAT DELS CONSIDER WHETHER INTERNATIONAL COMMODITY ARRANGEMENTS OR INCLUSION OF SPECIFIC CONVENANTS ON PROGDUCTION CONTROLS IN CONTRACTS MIGHT PRESEN T

COMPROMISE ON ECONOMIC IMPLICATIONS ISSUE.

5. BOTH CANADIAN AND AUSTRALIAN REPS EMPHASIZED THAT QUESTION OF WHO MAY EXPLOIT AREA WAS OF PRIORITY INTEREST TO C-1 THIS SUMMER. ON REGIME

AND MACHINERY, AUSTRALIAN REP SUPPORTED COUNCIL COMPOSED OF ELECTED AND DESIGNATED MEMBERS AND REITERATED SUPPORT FOR OPERATIONAL ARM OF AUTHORITY WHICH COULD LICENSE OR ENTER OTHER CONTRACTUAL RELATIONSHIPS

WITH STATES, AS WELL AS DIRECTLY EXPLIT AT LATER TIME. ON RULES AND REGULATIONS, AUSTRALIA BELIEVES RULES ON THE FOLLOWING SUBJECTS ARE NECESSARY:

- A) RIGHT OF AUTHORITY TO DECIDE BY WHAT METHOD PARTICULAR AREA WILL BE EXPLOITED:
- B) CRITERIA FOR OPENING UP AREAS TO EXPLOITATION;
- C) SIZE AND NUMBER OF AREAS;
- D) METHOD FOR SELECTION OF OPERATORS.
- CANADIAN REP SUPPORTED INCLUSION IN RULES AND REGULATIONS OF PROVISIONS
- ON INSPECTION, AND WORK REQUIREMENTS AND SUGGESTED REGULATORY REQUIREMENTS
- FOR SAFETY, PREVENTION OF POLLUTION AND CONSERVATION WOULD ALSO BE UNCLASSIFIED

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NEEDED. CANADIAN REP MADE SPECIAL NOTE OF NEED FOR RELINQUISHMENT PROVISIONS AND TIED THIS APPROACH TO THE RESERVATION OF AREAS CONCEPT (PROPOSED BY MANY LDC REPS IN PREVIOUS SESSIONS.)

6. PERU'S STATEMENT WAS UNCOMPROMISING DEFENSE OF PERU'S POSITION AND FOCUSSED ON EXPLOITATION SYSTEM, REJECTED LICENSING CONCEPT AND DENOUNCED

PROPOSED DUAL SYSTEM OF DIRECT EXPLOITATION AND LICENSING AS BEING FALSE

AND UNACCEPTABLE COMPROMMISE. CHILEAN REP STATED THAT REGIME WILL HAVE

TO PROVIDE SECURITY AND REASONABLE CONDITIONS FOR EXPLOITATION IF COMMON HERITAGE IS TO BE REALIZED, BUT SUGGESTED THAT TECHNICAL PROVISIONS

OF TREATY SHOULD BE NEGOTIATED ONLY AFTER KEY ARTICLES OF REGIME AND

MACHINERY HAVE BEEN DECIDED. ALSO INDICATED THOSE WHO POSSESS CAPITAL
AND TECHNOLOGY WILL EXPLIT QUOTE ILLEGALLY UNQUOTE IF C-1 DOES NOT
ESTABLISH SATISFACTORY REGIME SOON.
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